GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:737
ANSWERED ON:25.02.2009
FDI IN INSURANCE SECTOR
Karunakaran Shri P.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is contemplating to frame a policy not to increase the Foreign Direct Investment (FDI) in the insurance sector;

(b) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): On the recommendations of Law Commission (190th Report), KPN Committee and Insurance Regulatory and Development Authority, Government has introduced the Insurance Laws (Amendment) Bill, 2008 - to amend the Insurance Act, 1938, the General Insurance Business (Nationalisation) Act, 1972 and the Insurance Regulatory and Development Authority Act, 1999 in Rajya Sabha on 22.12.2008. This includes the provision of enhancement of FDI limit in Indian insurance companies except cooperatives from 26% to 49%.